

NONCITIZEN BENEFIT CLARIFICATION AND OTHER TECHNICAL AMENDMENTS ACT OF 1998

SEPTEMBER 22, 1998.—Ordered to be printed

Mr. ARCHER, from the Committee on Ways and Means,
submitted the following

R E P O R T

[To accompany H.R. 4558]

[Including cost estimate of the Congressional Budget Office]

The Committee on Ways and Means, to whom was referred the bill (H.R. 4558) to make technical amendments to clarify the provision of benefits for noncitizens, and to improve the provision of unemployment insurance, child support, and supplemental security income benefits, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

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The amendment is as follows:

Strike out all after the enacting clause and insert in lieu thereof the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the “Noncitizen Benefit Clarification and Other Technical Amendments Act of 1998”.

SEC. 2. CONTINUING ELIGIBILITY FOR SSI AND MEDICAID FOR NONQUALIFIED ALIENS WHO WERE RECEIVING BENEFITS ON THE DATE OF THE ENACTMENT OF THE PERSONAL RESPONSIBILITY AND WORK OPPORTUNITY RECONCILIATION ACT OF 1996.

Section 401(b) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1611(b)) is amended by inserting after paragraph (4) the following new paragraph:

“(5)(A) Subsection (a) shall not apply to eligibility for benefits for the program defined in section 402(a)(3)(A) (relating to the supplemental security income program) for an alien who was receiving such benefits on August 22, 1996.

“(B) An alien who is receiving benefits pursuant to subparagraph (A) shall be eligible for medical assistance under a State plan under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.) (relating to the medicaid program) under the same terms and conditions that apply to other recipients of medical assistance under such program.”.

SEC. 3. EXTENSION OF AUTHORIZATION OF SELF-EMPLOYMENT ASSISTANCE PROGRAMS.

(a) IN GENERAL.—Paragraph (2) of section 507(e) of the North American Free Trade Agreement Implementation Act (26 U.S.C. 3306 note) is hereby repealed.

(b) CONFORMING AMENDMENTS.—Subsection (e) of section 507 of such Act is further amended—

(1) by amending the heading after the subsection designation to read “EFFECTIVE DATE.—”; and

(2) by striking “(1) EFFECTIVE DATE.—” and by running in the remaining text of subsection (e) immediately after the heading therefor, as amended by paragraph (1).

SEC. 4. CORRECTIONS TO THE CHILD SUPPORT PERFORMANCE AND INCENTIVE ACT OF 1998.

(a) REDUCTION OF PENALTY FOR STATE FAILURE TO MEET DEADLINE FOR COMPLIANCE WITH CHILD SUPPORT DATA PROCESSING AND INFORMATION RETRIEVAL REQUIREMENTS IF PERFORMANCE OF CERTAIN ASPECT OF STATE IV–D PROGRAM MEETS PERFORMANCE THRESHOLD.—

(1) IN GENERAL.—Section 455(a)(4)(C) of the Social Security Act (42 U.S.C. 655(a)(4)(C)) is amended by adding at the end the following:

“(iii) The Secretary shall reduce the amount of any reduction that, in the absence of this clause, would be required to be made under this paragraph by reason of the failure of a State to achieve compliance with section 454(24)(B) during the fiscal year, by an amount equal to 20 percent of the amount of the otherwise required reduction, for each State performance measure described in section 458A(b)(4) with respect to which the applicable percentage under section 458A(b)(6) for the fiscal year is 100 percent, if the Secretary has made the determination described in section 458A(b)(5)(B) with respect to the State for the fiscal year.”.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) of this subsection shall take effect as if included in the enactment of section 101(a) of the Child Support Performance and Incentive Act of 1998, and the amendment shall be considered to have been added by section 101(a) of such Act for purposes of section 201(f)(2)(B) of such Act.

(b) CLARIFICATION OF EFFECTIVE DATE FOR CERTAIN MEDICAL CHILD SUPPORT PROVISIONS.—

(1) IN GENERAL.—Section 401(c)(3) of the Child Support Performance and Incentive Act of 1998 (42 U.S.C. 652 note) is amended by striking “of the enactment of this Act” and inserting “specified in subparagraph (A)”.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) of this subsection shall take effect as if included in the enactment of section 401(c)(3) of the Child Support Performance and Incentive Act of 1998.

SEC. 5. ELIGIBILITY OF NONRESIDENT ALIENS TO RENEW PROFESSIONAL LICENSES.

(a) FEDERAL.—Section 401(c)(2) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1611(c)(2)) is amended—

(1) at the end of subparagraph (A) by striking “or”;

(2) at the end of subparagraph (B) by striking the period and inserting “; or”;

and

(3) by inserting after subparagraph (B) the following new subparagraph:

“(C) to the issuance of a professional license to, or the renewal of a professional license by, a foreign national not physically present in the United States.”

(b) STATE OR LOCAL.—Section 411(c)(2) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1621(c)(2)) is amended—

(1) at the end of subparagraph (A) by striking “or”;

(2) at the end of subparagraph (B) by striking the period and inserting “; or”; and

(3) by inserting after subparagraph (B) the following new subparagraph:

“(C) to the issuance of a professional license to, or the renewal of a professional license by, a foreign national not physically present in the United States.”

SEC. 6. CLARIFICATION OF OBLIGATION OF WELFARE-TO-WORK FUNDS.

(a) IN GENERAL.—Section 403(a)(5)(A)(iv)(II) of the Social Security Act (42 U.S.C. 603(a)(5)(A)(iv)(II)) is amended by striking “or sub-State entity” and inserting “, other than funds reserved by the State for distribution under clause (vi)(III) and funds distributed pursuant to clause (vi)(I) in any State in which the service delivery area is the State”.

(b) RETROACTIVITY.—The amendment made by subsection (a) shall take effect as if included in the enactment of section 5001 of the Balanced Budget Act of 1997.

SEC. 7. DISREGARD OF LIMITED AWARDS MADE TO CHILDREN WITH LIFE-THREATENING CONDITIONS UNDER THE SUPPLEMENTAL SECURITY INCOME PROGRAM.

(a) INCOME DISREGARD.—Section 1612(b) of the Social Security Act (42 U.S.C. 1382a(b)) is amended—

(1) by striking “and” at the end of paragraph (20);

(2) by striking the period at the end of paragraph (21) and inserting “; and”; and

(3) by adding at the end the following:

“(22) any gift to, or for the benefit of, an individual who has not attained 18 years of age and who has a life-threatening condition, from an organization described in section 501(c)(3) of the Internal Revenue Code of 1986 which is exempt from taxation under section 501(a) of such Code—

“(A) in the case of an in-kind gift, if the gift is not converted to cash; or

“(B) in the case of a cash gift, only to the extent that the total amount excluded from the income of the individual pursuant to this paragraph in the calendar year in which the gift is made does not exceed \$2,000.”

(b) RESOURCE DISREGARD.—Section 1613(a) of the Social Security Act (42 U.S.C. 1382b(a)) is amended—

(1) by striking “and” at the end of paragraph (11);

(2) by striking the period at the end of paragraph (12) and inserting “; and”; and

(3) by inserting after paragraph (12) the following:

“(13) any gift to, or for the benefit of, an individual who has not attained 18 years of age and who has a life-threatening condition, from an organization described in section 501(c)(3) of the Internal Revenue Code of 1986 which is exempt from taxation under section 501(a) of such Code—

“(A) in the case of an in-kind gift, if the gift is not converted to cash; or

“(B) in the case of a cash gift, only to the extent that the total amount excluded from the resources of the individual pursuant to this paragraph in the calendar year in which the gift is made does not exceed \$2,000.”

(c) RETROACTIVITY.—The amendments made by this section shall apply to gifts made on or after the date that is 2 years before the date of the enactment of this Act.

SEC. 8. ENHANCED RECOVERY OF SSI OVERPAYMENTS FROM SOCIAL SECURITY BENEFITS.

(a) IN GENERAL.—Part A of title XI of the Social Security Act is amended by adding at the end the following new section:

“RECOVERY OF SSI OVERPAYMENTS FROM SOCIAL SECURITY BENEFITS

“SEC. 1147. (a) IN GENERAL.—(1) Whenever the Commissioner of Social Security determines that more than the correct amount of any payment has been made under the supplemental security income program under title XVI of this Act (including, for purposes of this section, under section 1616(a) of this Act or section 212(b) of Public Law 93–66) to a person who is not currently eligible for cash benefits under the program, the Commissioner, notwithstanding section 207 of this Act but subject to paragraph (2) of this subsection, may recover the amount incorrectly paid by decreasing any amount which is payable to the person under title II of this Act

in any month by not more than 10 percent of the amount payable under such title II.

“(2) The 10 percent limitation set forth in paragraph (1) shall not apply to an overpayment made to a person if—

“(A) the person or the spouse of the person was involved in willful misrepresentation or concealment of material information in connection with the overpayment; or

“(B) the person so requests.

“(b) NO EFFECT ON SSI ELIGIBILITY OR BENEFIT AMOUNT.—In any case in which the Commissioner of Social Security takes action in accordance with subsection (a) to recover an amount incorrectly paid to any person, neither that person, nor any individual whose eligibility for benefits under the supplemental security income program under title XVI, or whose amount of such benefits, is determined by considering any part of that person’s income, shall, as a result of such action—

“(1) become eligible for benefits under such program, or

“(2) if such person or individual is otherwise so eligible, become eligible for increased benefits under such program.”.

(b) CONFORMING AMENDMENTS.—

(1) Section 204 of such Act (42 U.S.C. 404) is amended by adding at the end the following:

“(g) For payments which are adjusted or withheld to recover an overpayment of supplemental security income benefits paid under title XVI of this Act (including State supplementary payments paid under an agreement pursuant to section 1616(a) of this Act or section 212(b) of Public Law 93–66), see section 1147.”.

(2) Section 1631(b) of such Act (42 U.S.C. 1383(b)) is amended by adding at the end the following:

“(5) For provisions relating to the recovery of benefits incorrectly paid under this title from benefits payable under title II, see section 1147.”.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act and shall apply to amounts incorrectly paid which remain outstanding on or after such date.

I. INTRODUCTION

A. PURPOSE AND SCOPE

The major purpose of the Committee proposal is to extend Supplemental Security Income (SSI) benefits for recipients listed as nonqualified aliens who were receiving benefits before the enactment of welfare reform. According to the Social Security Administration, this group currently includes about 12,000 aliens, all of whom are elderly or disabled or both, and who will lose their benefits on October 1 of this year unless Congress takes action. The Committee bill would permanently extend the SSI benefits of this group, although the Committee expects the Social Security Administration to continue reviewing their cases to determine whether some are ineligible for benefits because they are illegal aliens.

In addition to this major provision, the Committee proposal would also extend an expiring unemployment insurance program designed to help unemployed workers become self-employed; allow states to offset any penalties incurred because of failure to meet Federal automatic data processing requirements if they achieve superior performance in conducting their child support enforcement program, as well as adjust an implementation date to allow States whose legislatures meet biennially to satisfy Federal child support requirements in an orderly fashion; allow noncitizens to obtain or renew professional licenses without being present in the United States; clarify that in some circumstances States have up to 3 years to obligate funds under the Welfare-to-Work program; require the Social Security Administration to disregard up to \$2,000 in cash gifts given to children with life-threatening conditions by

non-profit foundations; and allow the Social Security Administration to reduce the Social Security benefits of individuals to recover overpayments in the Supplemental Security Income program.

B. BACKGROUND AND NEED FOR LEGISLATION

The reason the Committee has approved this legislation is that approximately 12,000 aliens, most of whom are probably eligible under current law to continue receiving SSI and Medicaid benefits, could lose these benefits on October 1. These recipients, all of whom are by definition elderly, disabled, or both, could lose their benefits because they have not yet demonstrated to the Social Security Administration (SSA) that they are citizens or qualified aliens. Since enactment of the Balanced Budget Act of 1997, the Committee has been concerned that in continuing the welfare benefits of aliens who were already receiving benefits, many would prove upon review to be illegal aliens and therefore not eligible for benefits. Thus, in the 1997 Balanced Budget Act, the Committee directed the Social Security Administration to temporarily continue the benefits of this group of aliens but to review their cases to determine whether they are qualified to continue receiving benefits.

In the 13 months that have elapsed since enactment of the Balanced Budget Act, the SSA has reviewed the records of about 10,000 of the 22,000 aliens first believed to be in this group, and in most cases obtained new information from the aliens themselves. On the basis of this information, plus additional information SSA obtained from a scientific survey of a sample of the 12,000 aliens whose cases have not yet been reviewed, the Committee has concluded that most of the 12,000 remaining aliens will in fact turn out to be qualified for benefits should the reviews be completed.

The Committee considered an additional temporary extension of eligibility for the 12,000 aliens who had not yet been reviewed to give SSA additional time to complete the reviews. However, information from SSA's survey, coupled with descriptive information on a number of the unreviewed cases, left the Committee with a dilemma. Specifically, a fairly large number of these unreviewed cases will probably not be successfully reviewed in the near future. Many of the recipients are bedridden, many are seriously disabled, and many do not speak or read English. Thus, it is likely that if the Committee extends the benefits of this group of aliens for 6 months or a year, at the end of that period reliable information on several thousand of these aliens will still be lacking, even if SSA employs time-consuming and expensive methods to obtain information from the recipients. The Committee especially notes the fact that the cases on which SSA will have the most difficulty obtaining information, and the individuals who would therefore lose benefits at the end of any additional review period, would be precisely the recipients who are the most disabled or otherwise incapacitated. Thus, the Committee decided on a bipartisan basis to permanently extend the eligibility of all those in this group.

In making this permanent extension of benefits, the Committee wishes to draw attention to three factors that influenced our decision. First, in the 10,000 cases that have been reviewed so far, SSA has discovered only 22 illegal aliens. This finding provides the Committee with some reassurance that there are relatively few ille-

gal aliens among the remaining 12,000 aliens. Second, the Committee has been assured that SSA will continue reviewing the 12,000 remaining cases. As a result, it seems likely that additional illegal aliens will be discovered and made ineligible by these reviews. Third, the basic policy of the 1996 welfare reform law that bars most welfare for aliens who arrive in the U.S. after that law's enactment on August 22, 1996 is not affected by this extension of benefits.

The benefits provided by the Committee bill are paid for by including a provision that provides SSA with additional methods for recovering overpayments in the Supplemental Security Income program. Specifically, we authorize SSA, in the case of individuals who received SSI benefits in the past and who currently receive Social Security benefits, to offset their Social Security benefits by a maximum of 10 percent in any given month to recover SSI overpayments. This procedure, which was recommended by both the Inspector General of the Social Security Administration and by the General Accounting Office and is supported on a bipartisan basis in the Congress, will save money because SSA will be more successful in recovering misspent taxpayer funds.

The remaining items in the Committee bill are minor or of a technical nature and are explained in greater detail below.

C. LEGISLATIVE HISTORY

Committee bill

H.R. 4558 was introduced on September 14, 1998 by Chairman Shaw and Mr. Levin of the Subcommittee on Human Resources. The Subcommittee on Human Resources considered H.R. 4558 and ordered it favorably reported to the full Committee on September 15, 1998 by voice vote. The full Committee on Ways and Means considered the Subcommittee reported bill on September 18, 1998 and ordered it favorably reported, as amended, on Friday, September 18, 1998, by voice vote.

Legislative hearings

During the 105th Congress, the Subcommittee on Human Resources held numerous hearings on the several provisions in H.R. 4558, including:

(1) on extending public benefits for certain aliens, the Subcommittee held a hearing on February 13, 1997 on the President's Fiscal Year 1998 Budget, including the Administration's proposal to extend certain noncitizens' eligibility for benefits; the Subcommittee also conducted a hearing on February 26, 1997 on various technical corrections to the welfare reform law, including its provisions affecting noncitizens;

(2) on extending Unemployment Insurance Self-Employment Assistance (SEA) programs, the Subcommittee held hearings on April 24, 1997 and June 23, 1998 on unemployment insurance reform proposals, including reauthorization of the SEA program;

(3) on reducing child support penalties, the Subcommittee held hearings on March 20, 1997, September 10, 1997, January 29, 1998, May 19, 1998, June 12, 1998, and August 24, 1998

on child support issues, including modifying child support penalties for automatic data processing;

(4) on the treatment of welfare-to-work funds, the Subcommittee held a hearing on February 13, 1997 on the President's Fiscal Year 1998 Budget, including its proposal of welfare-to-work funding; and

(5) on SSI benefits for certain children with life-threatening conditions and on enhancing the recovery of SSI overpayments, the Subcommittee conducted a joint hearing with the Subcommittee on Social Security on March 12, 1998 on the SSI program as one of the challenges facing the new Social Security Commissioner, and also conducted a hearing on various SSI reform proposals on April 21, 1998.

In addition, on March 19, 1998, the Subcommittee on Human Resources conducted a hearing on general oversight issues involving the implementation of the welfare reform law, which added to the record of numerous hearings during the 104th Congress on welfare reform provisions referred to or amended by H.R. 4558.

II. EXPLANATION OF PROVISIONS

SECTION 1. SHORT TITLE

Present law

No provision.

Explanation of provision

This Act may be cited as the "Noncitizen Benefit Clarification and Other Technical Amendments Act of 1998".

Reason for change

Not applicable.

2. CONTINUING ELIGIBILITY FOR SSI AND MEDICAID FOR NON-QUALIFIED ALIENS WHO WERE RECEIVING BENEFITS ON THE DATE OF THE ENACTMENT OF THE PERSONAL RESPONSIBILITY AND WORK OPPORTUNITY RECONCILIATION ACT OF 1996

Present law

The 1996 welfare reform law imposed new restrictions on alien eligibility for SSI (and thus Medicaid). Aliens receiving SSI on the enactment date (August 22, 1996) were scheduled to have their benefits terminated within a year unless they qualified under the new restrictions. However, the 1997 Balanced Budget Act grandfathered the SSI benefits of those receiving benefits on August 22, 1996 who are "qualified aliens," as that term is defined in the 1996 law. The 1997 Balanced Budget Act also temporarily continued, until September 30, 1998, the SSI benefits of those receiving benefits on August 22, 1996 who are not shown to be "qualified aliens" in Social Security Administration (SSA) records.

Explanation of provision

The provision removes the September 30, 1998 expiration date and thereby permanently authorizes the benefits of those receiving

benefits on August 22, 1996 who are not shown to be “qualified aliens” or citizens under SSA records.

Reason for change

The 1997 Balanced Budget Act permanently continued the eligibility of most but not all noncitizens who were receiving SSI benefits when the welfare reform law was signed on August 22, 1996. Thus about 22,000 recipients not shown to be “qualified aliens” were grandfathered through only September 30, 1998 so that the Social Security Administration (SSA) could determine their correct immigration status. After conducting thousands of case reviews and a random-sample survey, SSA has informed the Committee that of the 22,000 SSI recipients originally listed in SSA records as nonqualified aliens, fewer than 4,000 current recipients actually fall into the category of nonqualified aliens. Further, according to the Social Security Administration, under current law a significant share of the 4,000 could adjust over time to qualified alien or citizen status and thus maintain their eligibility for benefits after some months or even years of ineligibility. However, the fact that SSI recipients are by definition aged or disabled would serve to limit the number who could succeed in adjusting their status, increasing the number losing benefits.

To forestall this outcome, the Committee bill would extend the SSI and Medicaid eligibility of all nonqualified aliens who were receiving benefits on the date of enactment of the welfare reform law. This will protect those who are in fact citizens or qualified aliens as well as those who could, perhaps only with great difficulty, adjust their immigration status in order to maintain benefits. Most importantly, however, this measure will protect those who due to age or infirmity are incapable of documenting their true immigration status and thus would have no opportunity to verify their eligibility for continued benefits.

The Committee expects SSA to place priority on continuing reviews of “nonqualified aliens” for the purpose of determining whether a small number may in fact be illegal aliens who were wrongly admitted to the SSI program before or since passage of the 1996 welfare reform law. The Committee notes that SSA reviews of nonqualified alien recipients performed to date have resulted in the disqualification of 22 illegal aliens from the SSI rolls. The Committee expects SSA case reviews of nonqualified alien recipients to continue despite the general extension of eligibility for individuals in this category.

3. EXTENSION OF AUTHORIZATION OF SELF-EMPLOYMENT ASSISTANCE PROGRAMS

Present law

As originally authorized in section 507 of the North American Free Trade Agreement Implementation Act (NAFTA), States may operate Self-Employment Assistance (SEA) programs that permit selected unemployed workers to receive Unemployment Insurance (UI) benefits while starting their own businesses. The SEA program pays weekly allowances equal to regular UI benefits and provides other support services for participants starting businesses.

Limited UI program exceptions allow SEA participants to retain their self-employment income while remaining eligible for continued UI assistance. States may not have more than 5 percent of their UI caseload in SEA programs. [A recent study found that no state has more than 0.5 percent of its caseload in an SEA program.] The current authorization for the SEA program expires on December 8, 1998.

Explanation of provision

The provision would permanently extend the authorization of the SEA program.

Reason for change

The Committee supports States' efforts to assist unemployed workers in returning to the workforce, and believes that States should have flexibility in meeting this goal through programs that encourage unemployed workers to start small businesses. Self-Employment Assistance programs afford States the opportunity to pursue this goal and thus in the view of the Committee merit continuation.

4. CORRECTIONS TO THE CHILD SUPPORT PERFORMANCE AND INCENTIVE ACT

Present law

No provision. However, there were major automated data systems requirements placed on States by both 1988 legislation (P.L. 100-485) and 1996 legislation (P.L. 104-193). A State that fails to comply with the child support enforcement automated data processing and information retrieval system requirements is subject to the new alternate penalty procedure pursuant to P.L. 105-200 (rather than suspension of all Federal funding for the State's child support enforcement program and loss of all Temporary Assistance for Needy Families block grant funding).

Public Law 105-200 required States to use a standard medical support notice to transmit to employers notice of the requirement to provide health care coverage. The effective date for State implementation of this requirement is October 1, 2001 or not later than the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after July 16, 1998 (the date of enactment of P.L. 105-200).

Explanation of provision

A State that fails to comply with the 1996 data processing requirements may nonetheless have its annual penalty reduced by 20 percent for each performance measure under the Federal child support incentive system for which it achieves a maximum score. Thus, for example, a State being penalized would have its penalty for a given year reduced by 60 percent if it achieved maximum performance on three of the five performance measures under the child support enforcement incentive payment system. In addition, the provision clarifies the date by which States must pass laws implementing medical child support provisions to allow time for State

legislatures that meet biennially to pass laws after final Federal regulations are issued in 2000.

Reason for change

During one of the meetings conducted by the Committee with groups interested in the penalty provision, several States pointed out that the overall goal of the child support legislation is to improve child support performance. In the new incentive system enacted this year (P.L. 105–200), Congress has in place an effective way to measure the performance of State programs in achieving the fundamental goals of child support enforcement—establishing paternity and child support orders, collecting child support payments, and operating efficiently. If a State has not fully complied with the data processing requirements, but nonetheless conducts an effective and efficient child support program as measured by the incentive system, then the State should be able to avoid at least part of the penalty for failing to implement the automatic data systems. Thus, the Committee included this provision to provide partial relief from penalties for States that achieve highly effective performance. This provision applies only to the data processing requirements imposed by the 1996 welfare reform legislation (not the requirements established in 1988). The Committee wishes to emphasize that States receive penalty reductions only by achieving the highest rating on the various performance measures.

The effective date of the medical support notice was changed to ensure that States, especially States with a legislature that meets only once every two years, will not be required to pass legislation before the final regulations on this provision have been published by the Department of Health and Human Services in 2000.

5. ELIGIBILITY OF NONRESIDENT ALIENS TO OBTAIN OR RENEW
PROFESSIONAL LICENSES

Present law

Under the 1996 welfare reform law, aliens without legal permanent residence, asylum, or refugee status are generally disqualified from obtaining Federal and State professional licenses. Among the exceptions to this disqualification are professional licenses for “a nonimmigrant whose visa for entry is related to such employment in the United States.” This exception is intended to allow professionals with permission to work here temporarily to obtain the licenses for which they are professionally qualified.

The North American Free Trade Agreement Implementation Act (NAFTA) requires each member country to seek to limit licensing requirements to “objective and transparent criteria” such as competence and ability. NAFTA also calls on parties to minimize or eliminate citizenship or permanent residency as a licensing requirement.

Explanation of provision

The provision would allow nonresident professionals to obtain or renew their U.S. professional licenses even if they are not in the U.S. as nonimmigrants.

Reason for change

This provision expands on current law provisions enacted under welfare reform that encourage work and personal responsibility for noncitizens. In particular, sections 401 and 411 of the welfare reform law specifically authorize nonimmigrants to obtain professional and other licenses in keeping with their authorization to work in the United States. However, it has been brought to the Committee's attention that nonresident professionals have been barred from obtaining and renewing professional licenses in the United States. Thus the Committee bill would allow such nonresidents to obtain or renew professional licensure while abroad. This policy is consistent with U.S. and international trade policy and recent trade agreements.

It is the intent of the Committee that this amendment provide clarification for States that issue professional licenses. This provision should not be taken to alter the original intent of Congress that the provisions of the 1996 welfare reform law apply only to citizens and noncitizens physically present in the United States. Despite this intent, several professional societies have complained that States are misapplying the 1996 law by restricting access by foreign nationals to professional licenses in the United States. Thus this provision is designed to clear up any confusion on the part of States, without altering the general intent of the welfare reform law and its application solely to individuals physically present in the United States.

6. ELIMINATION OF ONE YEAR OBLIGATION REQUIREMENT FOR CERTAIN WELFARE-TO-WORK FUNDS

Present law

The Welfare-to-Work grant program authorized under Title IV-A of the Social Security Act provides States with \$2.1 billion in matching formula grants (after set-asides for evaluation and Indian tribes) for FYs 1998 and 1999 to help TANF recipients with multiple barriers to employment enter the workforce. Of this total, \$1.8 billion (85 percent) must be passed through to local service delivery areas. The remaining 15 percent (slightly more than \$300 million) is retained by the State and is to be used for governors' projects to help long-term recipients enter unsubsidized employment. Funds not obligated by a State or substate entity for the immediately preceding fiscal year are to be returned to the Federal government and reallocated among States. However, funds passed through to local service delivery areas by the States are obligations by the State. Hence, passed-through funds are not available for reallocation. Local service delivery areas have three years in which to both obligate and spend the funds.

Explanation of provision

The provision strikes the reference to substate entities and eliminates the one-year obligation requirement—and the consequent reallocation of unobligated funds—for the 15 percent of funds reserved for special projects controlled by governors and for funds in any State in which the service delivery area is the State itself. The

States would have three years in which to both obligate and spend these funds.

Reason for change

Agencies that receive Federal funds over a period of several years often wish to preserve some flexibility in how the money is spent during later years. In the case of Welfare-to-Work funds, although the funds are authorized to be spent over a 3-year period, any funds not obligated by a State after the first year must be returned to the Federal government and then reallocated among other States. Most of the money provided to States can be obligated simply by passing the money through to local government agencies. However, in the case of the 15 percent funds reserved for governors to devise special projects and in the case of States that are small enough to have only one Service Delivery Area, it is more difficult to obligate funds. To allow States to have flexibility in use of all of their funds during the out years, the Committee provision allows States to retain their funds in these two cases even if all the money has not been obligated each year.

7. DISREGARD OF LIMITED AWARDS MADE TO CHILDREN WITH LIFE-THREATENING CONDITIONS UNDER THE SUPPLEMENTAL SECURITY INCOME PROGRAM

Present law

When tax-exempt organizations (for example, the “Make-A-Wish” Foundation) provide cash payments, along with travel expenses, to children with life-threatening conditions, SSI benefits may be reduced or eliminated. In the small number of cases in which SSI benefits are eliminated entirely, Medicaid coverage also would be threatened.

Explanation of provision

The provision would exclude from SSI eligibility and benefit calculations up to \$2,000 in cash awards made by tax-exempt organizations to children with life-threatening conditions.

Reason for change

The Committee has been alerted to the fact that when organizations like the Make-A-Wish Foundation grant “wishes” to children with life-threatening conditions (for example, providing airfare and spending money so a child with cancer can go to Disney World), current law requires that the cash payment reduce or even eliminate the child’s eligibility for SSI. In order to maintain children’s eligibility for SSI benefits (as well as Medicaid, which is linked to receipt of SSI) and to encourage philanthropic efforts to fulfill the dreams of children with life-threatening conditions, the Committee bill excludes from SSI eligibility and benefit determinations up to \$2,000 in cash awards made by tax-exempt organizations to such children. The financial benefits of this policy change to children with life-threatening conditions far outweigh the slight cost to taxpayers.

8. ENHANCED RECOVERY OF SSI OVERPAYMENTS FROM SOCIAL SECURITY BENEFITS

Present law

Supplemental Security Income overpayments occur when individuals receive greater benefits than they are eligible to receive given their current circumstances. For example, an overpayment may result when a recipient's financial condition improves due to increased earnings or other income or through reduced living expenses, but this information is not immediately reflected in a reduced benefit payment. Under current law, the Social Security Administration (SSA) may recoup SSI overpayments from current SSI benefits (by offsetting subsequent monthly benefit payments by up to 10 percent). SSA may also recoup Old Age, Survivors, and Disability Insurance (OASDI) overpayments from OASDI benefits (without restriction as to the amount of monthly benefits that can be offset). SSA, however, does not have the authority to collect an SSI overpayment from OASDI benefits without the beneficiary's express permission.

Explanation of provision

The provision would give the Social Security Administration the authority to collect SSI overpayments by offsetting OASDI benefits, with a maximum monthly offset of no more than 10 percent of the OASDI benefit.

Reason for change

Current law authorizes the Social Security Administration (SSA) to recover SSI overpayments from subsequent SSI payments and Social Security overpayments from subsequent Social Security payments. However, unless the recipient of Social Security benefits specifically authorizes SSA to do so, SSA is prohibited from offsetting Social Security benefits to recover past SSI overpayments to the individual. Thus, the Committee bill gives SSA the authority to collect SSI overpayments by offsetting Social Security benefits, with a maximum monthly offset of no more than 10 percent of the monthly Social Security benefit. The Committee recognizes that an individual may request a waiver of the collection of an overpayment covered by this section under the same rules applicable to an individual whose SSI benefits are being reduced to recoup an overpayment.

III. VOTES OF THE COMMITTEE

In compliance with clause 2(l)(2)(B) of rule XI of the Rules of the House of Representatives, the following statements are made concerning the vote of the Committee in its consideration of the bill, H.R. 4558.

MOTION TO REPORT THE BILL

The bill, H.R. 4558, as introduced, was ordered favorably reported as amended by a voice vote on September 18, 1998, with a quorum present.

IV. BUDGET EFFECTS OF THE BILL

A. COMMITTEE ESTIMATE OF BUDGETARY EFFECTS

In compliance with clause 7(a) of rule XIII of the Rules of the House of Representatives, the following statement is made:

The Committee agrees with the estimate prepared by the Congressional Budget Office (CBO) which is included below.

B. STATEMENT REGARDING NEW BUDGET AUTHORITY AND TAX EXPENDITURES

In compliance with clause 2(1)(3)(B) of rule XI of the Rules of the House of Representatives, the Committee states that the Committee bill decreases direct spending by \$93 million over five years.

C. COST ESTIMATE PREPARED BY THE CONGRESSIONAL BUDGET OFFICE

In compliance with clause 2(1)(3)(C) of rule XI of the Rules of the House of Representatives requiring a cost estimate prepared by the Congressional Budget Office (CBO), the following report prepared by CBO is provided.

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, September 21, 1998.

Hon. BILL ARCHER,
*Chairman, Committee on Ways and Means,
House of Representatives, Washington, DC.*

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 4558, the Noncitizen Benefit Clarification and Other Technical Amendments Act of 1998.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Eric Rollins.

Sincerely,

JUNE E. O'NEILL, *Director.*

Enclosure.

H.R. 4558—Noncitizen Benefit Clarification and Other Technical Amendments Act of 1998

Summary: H.R. 4558 would grant permanent eligibility for Supplemental Security Income (SSI) benefits to nonqualified aliens who were receiving benefits when the 1996 welfare reform law was enacted, exempt from SSI eligibility determinations certain charitable awards to seriously ill children, and authorize the Social Security Administration (SSA) to recover SSI overpayments by withholding Social Security benefits.

CBO estimates that this bill would reduce direct spending by \$93 million over the 1999–2003 period. In addition, the bill would make technical revisions to the Temporary Assistance to Needy Families and unemployment compensation programs that would not affect the federal budget. Since this bill would affect direct spending, pay-as-you-go procedures would apply.

The bill would place additional requirements on states for the implementation of large entitlement programs. However, these requirements would not constitute mandates as defined by the Unfunded Mandates Reform Act (UMRA). H.R. 4558 contains no private-sector mandates as defined in UMRA.

Estimated cost to the Federal Government: The estimated budgetary impact of H.R. 4558 is shown in the following table.

TABLE 1.—ESTIMATED BUDGETARY EFFECTS ON H.R. 4558

	By fiscal year's in millions of dollars—				
	1999	2000	2001	2002	2003
CHANGES IN DIRECT SPENDING					
SSI benefits:					
Nonqualified aliens	5	12	9	8	7
Children with life-threatening illnesses	1	(¹)	(¹)	(¹)	(¹)
Subtotal	6	12	9	8	7
Medicaid benefits	4	10	8	7	7
Recoveries of SSI overpayments	-35	-40	-35	-30	-30
Total	-26	-18	-18	-15	-16

¹ Less than \$500,000.

Note.—Components may not sum to totals because of rounding.

This estimate assumes that H.R. 4558 is enacted by October 1, 1998. The costs of this legislation fall within budget functions 550 (Health) and 600 (Income Security).

Basis of Estimate

SSI Eligibility for Nonqualified Aliens. The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA), enacted in August 1996, curtailed the eligibility of legal aliens for SSI benefits. Originally, that law was slated to cut off benefits to approximately a half-million aliens in the summer of 1997. However, the Balanced Budget Act of 1997 (BBA) essentially spared aliens who were legally in the United States in August 1996 from the PRWORA restrictions, permitting those already on the rolls to continue receiving benefits, and allowing others (for example, an alien here in August 1996 who becomes disabled in the future) to apply for benefits without restriction.

Of the half-million aliens scheduled to lose their eligibility, the vast majority were “qualified” aliens. Qualified aliens match a short list of legal statuses spelled out in PRWORA, chiefly legal admission for permanent residence, a grant of refugee status, or a grant of asylum. However, about 20,000 were thought to be “non-qualified.” Nonqualified aliens include those who are living in the United States with the government’s awareness but whose legal status is nonetheless murky. These aliens are sometimes termed “permanently residing under color of law,” or PRUCOLs. BBA granted qualified aliens who were on the rolls permanent eligibility for SSI, but gave nonqualified aliens only one more year of benefits, making them ineligible on October 1, 1998. H.R. 4558 would grant these nonqualified aliens permanent eligibility for SSI benefits.

SSA's records generally include a recipient's immigration status at the time of his or her initial application for benefits. This information is not updated regularly and, as a result, may be inaccurate for recipients who have been receiving SSI for a number of years. For this reason, it has long been suspected that many nonqualified aliens have converted their immigration status to one of the qualified categories or become naturalized citizens without SSA's knowledge, and thus should not be affected by the approaching October 1 cutoff. Recent research by SSA bears this out, finding that about 75 percent of the PRUCOLs are either qualified aliens or citizens. CBO now estimates that of the 20,000 aliens initially thought to be nonqualified, only about 3,400 would lose SSI eligibility under current law. Making these recipients permanently eligible would increase spending on SSI benefits by \$41 million over the 1999–2003 period. Since most SSI recipients are automatically eligible for Medicaid, the bill would also increase spending on Medicaid benefits by \$36 million over the same period.

Exclusion of Awards to Seriously Ill Children on SSI. The bill would exclude from SSI eligibility determinations up to \$2,000 of awards made by charitable organizations to children with life-threatening diseases. These cash awards are usually part of a response to a wish, like a trip to Disneyland, made by nonprofit groups such as the Make-A-Wish Foundation.

Based on discussions with the Make-A-Wish Foundation, CBO estimates that about 10,000 terminally and seriously ill children are granted a wish each year. About 55 percent of these wishes involve travel, and the child's family often receives cash to pay for incidental expenses. This cash is considered income for SSI eligibility purposes, and benefits for some children have been reduced as a result. According to SSA, only one month's benefits for these children is usually affected since the travel-related cash is spent quickly. Recipients should receive their normal check the following month, although SSA will usually have to make a retroactive payment because of processing delays.

The Foundation's national office has encountered about a half-dozen cases of children losing some or all of their SSI benefits because of a wish, and estimates that a similar number have come to the attention of each of the Foundation's 82 local chapters. Based on these figures and accounting for wishes granted by other organizations, CBO estimates that about 700 children annually are affected. The exclusion in the bill would increase spending on SSI benefits for these children by \$525,000 in 1999 and about \$175,000 annually in later years. The figure for 1999 is higher because the bill would provide retroactive benefits to all children who have been affected in the last two years.

Enhanced Recovery of SSI Overpayments. Under current law, SSA can recover an overpayment of SSI benefits by withholding up to 10 percent of an individual's monthly SSI benefit. However, SSA does not have the authority to recover an SSI overpayment by withholding part of an individual's Social Security benefit, even though SSA administers both programs. Section 8 of the bill would allow SSA to recover SSI overpayments by offsetting Social Security benefits. SSA would be allowed to withhold Social Security benefits only in cases where the individual was no longer receiving

SSI and would be able to withhold no more than 10 percent of an individual's monthly benefit. SSA would also be allowed to waive repayment in cases where the recovery would pose a hardship to the recipient. Based on information provided by SSA, CBO estimates that this section would increase SSI recoveries, which are treated as offsetting receipts, by \$170 million over the 1999–2003 period.

Pay-as-you-go considerations: Section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 sets up pay-as-you-go procedures for legislation affecting direct spending or receipts. The net changes in outlays and governmental receipts that are subject to pay-as-you-go procedures are shown in Table 2. For the purposes of enforcing pay-as-you-go procedures, only the effects in the budget year and the succeeding four years are counted.

TABLE 2.—PAY-AS-YOU-GO EFFECTS OF H.R. 4558

	By fiscal years in millions of dollars—									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Changes in outlays	–26	–18	–18	–15	–16	–17	–17	–18	–19	–19
Changes in receipts	0	0	0	0	0	0	0	0	0	0

Intergovernmental and private-sector impact: Although some provisions of H.R. 4558 would place additional requirements on the implementation of large entitlement programs, the bill contains no intergovernmental mandates as defined in UMRA. CBO estimates that over the course of five years, these requirements would cost states \$32 million in additional Medicaid expenditures and \$13 million in additional payments for SSI supplements. However, states possess sufficient flexibility to alter their financial or programmatic responsibilities to offset the costs of these requirements. States would also benefit from increased ability to recover SSI overpayments that could include state supplements. The bill does not contain any private-sector mandates as defined by UMRA.

Estimate prepared by: Federal Costs: Eric Rollins. Impact on State, Local, and Tribal Governments: Leo Lex. Impact on the Private Sector: Ralph Smith.

Estimate approved by: Paul N. Van de Water, Assistant Director for Budget Analysis.

V. OTHER MATTERS REQUIRED TO BE DISCUSSED UNDER THE RULES OF THE HOUSE

A. COMMITTEE OVERSIGHT FINDINGS AND RECOMMENDATIONS

In compliance with clause 2(l)(3)(A) of rule XI of the Rules of the house of representatives, the Committee reports that the need for this legislation was confirmed by the oversight hearings of the Subcommittee on Human Resources. The Subcommittee on Human Resources held a total of 13 hearings on the several provisions in H.R. 4558.

**B. SUMMARY OF FINDINGS AND RECOMMENDATIONS OF THE
GOVERNMENT REFORM AND OVERSIGHT COMMITTEE**

In compliance with clause 2(l)(3)(D) of rule XI of the Rules of the House of Representatives, the Committee states that no oversight findings or recommendations have been submitted to the Committee on Government Reform and Oversight regarding the subject of the bill.

C. CONSTITUTIONAL AUTHORITY STATEMENT

With respect to clause 2(l)(4) of rule XI of the Rules of the House of Representatives, relating to Constitutional Authority, the Committee states that the Committee's action in reporting the bill is derived from Article I of the Constitution, Section 8 ("The Congress shall have power to lay and collect taxes, duties, imposts and excises, to pay the debts and to provide for * * * the general Welfare of the United States * * *").

**VI. CHANGES IN EXISTING LAWS MADE BY THE BILL, AS
REPORTED**

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

**PERSONAL RESPONSIBILITY AND WORK OPPORTUNITY
RECONCILIATION ACT OF 1996**

* * * * *

**TITLE IV—RESTRICTING WELFARE AND
PUBLIC BENEFITS FOR ALIENS**

* * * * *

Subtitle A—Eligibility for Federal Benefits

**SEC. 401. ALIENS WHO ARE NOT QUALIFIED ALIENS INELIGIBLE FOR
FEDERAL PUBLIC BENEFITS.**

(a) * * *

(b) EXCEPTIONS.—

(1) * * *

* * * * *

(5)(A) Subsection (a) shall not apply to eligibility for benefits for the program defined in section 402(a)(3)(A) (relating to the supplemental security income program) for an alien who was receiving such benefits on August 22, 1996.

(B) An alien who is receiving benefits pursuant to subparagraph (A) shall be eligible for medical assistance under a State plan under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.) (relating to the medicaid program) under the same

terms and conditions that apply to other recipients of medical assistance under such program.

(c) **FEDERAL PUBLIC BENEFIT DEFINED.—**

(1) * * *

(2) Such term shall not apply—

(A) to any contract, professional license, or commercial license for a nonimmigrant whose visa for entry is related to such employment in the United States, or to a citizen of a freely associated state, if section 141 of the applicable compact of free association approved in Public Law 99–239 or 99–658 (or a successor provision) is in effect; **[or]**

(B) with respect to benefits for an alien who as a work authorized nonimmigrant or as an alien lawfully admitted for permanent residence under the Immigration and Nationality Act qualified for such benefits and for whom the United States under reciprocal treaty agreements is required to pay benefits, as determined by the Attorney General, after consultation with the Secretary of State**[.];** or

(C) to the issuance of a professional license to, or the renewal of a professional license by, a foreign national not physically present in the United States.

* * * * *

Subtitle B—Eligibility for State and Local Public Benefits Programs

SEC. 411. ALIENS WHO ARE NOT QUALIFIED ALIENS OR NON-IMMIGRANTS INELIGIBLE FOR STATE AND LOCAL PUBLIC BENEFITS.

(a) * * *

* * * * *

(c) **STATE OR LOCAL PUBLIC BENEFIT DEFINED.—**

(1) * * *

(2) Such term shall not apply—

(A) to any contract, professional license, or commercial license for a nonimmigrant whose visa for entry is related to such employment in the United States, or to a citizen of a freely associated state, if section 141 of the applicable compact of free association approved in Public Law 99–239 or 99–658 (or a successor provision) is in effect; **[or]**

(B) with respect to benefits for an alien who as a work authorized nonimmigrant or as an alien lawfully admitted for permanent residence under the Immigration and Nationality Act qualified for such benefits and for whom the United States under reciprocal treaty agreements is required to pay benefits, as determined by the Secretary of State, after consultation with the Attorney General**[.];** or

(C) to the issuance of a professional license to, or the renewal of a professional license by, a foreign national not physically present in the United States.

* * * * *

**SECTION 507 OF THE NORTH AMERICAN FREE TRADE
AGREEMENT IMPLEMENTATION ACT**

SEC. 507. TREATMENT OF SELF-EMPLOYMENT ASSISTANCE PROGRAMS.

(a) * * *

* * * * *

(e) **[EFFECTIVE DATE; SUNSET.—**

[(1) EFFECTIVE DATE.—]

EFFECTIVE DATE.—The provisions of this section and the amendments made by this section shall take effect on the date of the enactment of this Act.

[(2) SUNSET.—The authority provided by this section, and the amendments made by this section, shall terminate 5 years after the date of the enactment of this Act.**]**

SOCIAL SECURITY ACT

* * * * *

**TITLE II—FEDERAL OLD-AGE, SURVIVORS, AND DISABILITY
INSURANCE BENEFITS**

* * * * *

OVERPAYMENTS AND UNDERPAYMENTS

SEC. 204. (a) * * *

* * * * *

(g) For payments which are adjusted or withheld to recover an overpayment of supplemental security income benefits paid under title XVI of this Act (including State supplementary payments paid under an agreement pursuant to section 1616(a) of this Act or section 212(b) of Public Law 93–66), see section 1147.

* * * * *

**TITLE IV—GRANTS TO STATES FOR AID AND SERVICES TO
NEEDY FAMILIES WITH CHILDREN AND FOR CHILD-WEL-
FARE SERVICES**

* * * * *

**PART A—BLOCK GRANTS TO STATES FOR TEM-
PORARY ASSISTANCE FOR NEEDY FAMILIES**

* * * * *

SEC. 403. GRANTS TO STATES.

(a) **GRANTS.—**

(1) * * *

* * * * *

(5) **WELFARE-TO-WORK GRANTS.—**

(A) **FORMULA GRANTS.—**

(i) * * *

* * * * *

(iv) AVAILABLE AMOUNT.—As used in this subparagraph, the term “available amount” means, for a fiscal year, the sum of—

(I) * * *

(II) any available amount for the immediately preceding fiscal year that has not been obligated by a State [or sub-State entity], *other than funds reserved by the State for distribution under clause (vi)(III) and funds distributed pursuant to clause (vi)(I) in any State in which the service delivery area is the State.*

* * * * *

PART D—CHILD SUPPORT AND ESTABLISHMENT OF PATERNITY

PAYMENTS TO STATES

SEC. 455. (a)(1) * * *

* * * * *

(4)(A) * * *

* * * * *

(C)(i) * * *

* * * * *

(iii) *The Secretary shall reduce the amount of any reduction that, in the absence of this clause, would be required to be made under this paragraph by reason of the failure of a State to achieve compliance with section 454(24)(B) during the fiscal year, by an amount equal to 20 percent of the amount of the otherwise required reduction, for each State performance measure described in section 458A(b)(4) with respect to which the applicable percentage under section 458A(b)(6) for the fiscal year is 100 percent, if the Secretary has made the determination described in section 458A(b)(5)(B) with respect to the State for the fiscal year.*

* * * * *

TITLE XI—GENERAL PROVISIONS, PEER REVIEW, AND ADMINISTRATIVE SIMPLIFICATION

PART A—GENERAL PROVISIONS

* * * * *

RECOVERY OF SSI OVERPAYMENTS FROM SOCIAL SECURITY BENEFITS

SEC. 1147. (a) IN GENERAL.—(1) *Whenever the Commissioner of Social Security determines that more than the correct amount of any payment has been made under the supplemental security income program under title XVI of this Act (including, for purposes of this section, under section 1616(a) of this Act or section 212(b) of Public Law 93–66) to a person who is not currently eligible for cash benefits under the program, the Commissioner, notwithstanding sec-*

tion 207 of this Act but subject to paragraph (2) of this subsection, may recover the amount incorrectly paid by decreasing any amount which is payable to the person under title II of this Act in any month by not more than 10 percent of the amount payable under such title II.

(2) The 10 percent limitation set forth in paragraph (1) shall not apply to an overpayment made to a person if—

(A) the person or the spouse of the person was involved in willful misrepresentation or concealment of material information in connection with the overpayment; or

(B) the person so requests.

(b) **NO EFFECT ON SSI ELIGIBILITY OR BENEFIT AMOUNT.**—In any case in which the Commissioner of Social Security takes action in accordance with subsection (a) to recover an amount incorrectly paid to any person, neither that person, nor any individual whose eligibility for benefits under the supplemental security income program under title XVI, or whose amount of such benefits, is determined by considering any part of that person's income, shall, as a result of such action—

(1) become eligible for benefits under such program, or

(2) if such person or individual is otherwise so eligible, become eligible for increased benefits under such program.

* * * * *

TITLE XVI—SUPPLEMENTAL SECURITY INCOME FOR THE AGED, BLIND, AND DISABLED

PART A—DETERMINATION OF BENEFITS

* * * * *

INCOME

Meaning of Income

SEC. 1612. (a) * * *

Exclusions From Income

(b) In determining the income of an individual (and his eligible spouse) there shall be excluded—

(1) * * *

* * * * *

(20) special pay received pursuant to section 310 of title 37, United States Code; **[and]**

(21) the interest or other earnings on any account established and maintained in accordance with section 1631(a)(2)(F)**[.]**; and

(22) any gift to, or for the benefit of, an individual who has not attained 18 years of age and who has a life-threatening condition, from an organization described in section 501(c)(3) of the Internal Revenue Code of 1986 which is exempt from taxation under section 501(a) of such Code—

(A) in the case of an in-kind gift, if the gift is not converted to cash; or

(B) in the case of a cash gift, only to the extent that the total amount excluded from the income of the individual pursuant to this paragraph in the calendar year in which the gift is made does not exceed \$2,000.

* * * * *

RESOURCES

Exclusions From Resources

SEC. 1613. (a) In determining the resources of an individual (and his eligible spouse, if any) there shall be excluded—

(1) * * *

* * * * *

(11) for the month of receipt and the following month, any refund of Federal income taxes made to such individual (or such spouse) by reason of section 32 of the Internal Revenue Code of 1986 (relating to earned income tax credit), and any payment made to such individual (or such spouse) by an employer under section 3507 of such Code (relating to advance payment of earned income credit); **[and]**

(12) any account, including accrued interest or other earnings thereon, established and maintained in accordance with section 1631(a)(2)(F)**[.]**; and

(13) *any gift to, or for the benefit of, an individual who has not attained 18 years of age and who has a life-threatening condition, from an organization described in section 501(c)(3) of the Internal Revenue Code of 1986 which is exempt from taxation under section 501(a) of such Code—*

(A) in the case of an in-kind gift, if the gift is not converted to cash; or

(B) in the case of a cash gift, only to the extent that the total amount excluded from the resources of the individual pursuant to this paragraph in the calendar year in which the gift is made does not exceed \$2,000.

In determining the resources of an individual (or eligible spouse) an insurance policy shall be taken into account only to the extent of its cash surrender value; except that if the total face value of all life insurance policies on any person is \$1,500 or less, no part of the value of any such policy shall be taken into account.

* * * * *

PART B—PROCEDURAL AND GENERAL PROVISIONS

PAYMENTS AND PROCEDURES

Payment of Benefits

SEC. 1631. (a)

Overpayments and Underpayments

(b)(1) * * *

* * * * *

(5) *For provisions relating to the recovery of benefits incorrectly paid under this title from benefits payable under title II, see section 1147.*

* * * * *

SECTION 401 OF THE CHILD SUPPORT PERFORMANCE AND INCENTIVE ACT OF 1998

SEC. 401. ELIMINATION OF BARRIERS TO THE EFFECTIVE ESTABLISH- MENT AND ENFORCEMENT OF MEDICAL CHILD SUPPORT.

(a) * * *

(c) REQUIRED USE BY STATES OF NATIONAL MEDICAL SUPPORT
NOTICES.—

(1) * * *

* * * * *

(3) EFFECTIVE DATE.—The amendments made by this sub-
section shall be effective with respect to periods beginning on
or after the later of—

(A) October 1, 2001; or

(B) the effective date of laws enacted by the legislature
of such State implementing such amendments,
but in no event later than the first day of the first calendar
quarter beginning after the close of the first regular session of
the State legislature that begins after the date [of the enact-
ment of this Act] *specified in subparagraph (A)*. For purposes
of the preceding sentence, in the case of a State that has a 2-
year legislative session, each year of such session shall be
deemed to be a separate regular session of the State legisla-
ture.

* * * * *